

*Legal*NOTICE
NO.N
November 1953

DEC 15 1953

CONFLICTS OF INTEREST

1. Historically, there has been a strong objection to employees of the Government who leave the Government's service acting in such a manner as to prosecute claims against the Government, particularly in a matter with which they were formerly connected as employees. In 1948 a criminal statute was enacted restating earlier statutes on this matter and providing for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for violation of this conflict-of-interest principle.

2. Recently, the Attorney General has addressed a memorandum to all United States Attorneys construing this statement broadly and asserting that violations will be rigidly prosecuted. The wording of the statute and of the Department of Justice memorandum, insofar as the latter is pertinent, is set forth in Attachment A.

3. In order to insure that both the spirit and the letter of the statute and the Department of Justice memorandum be observed, I want to call the attention of each employee to the fact that conflict-of-interest situations must be avoided. It is the responsibility of every individual to be aware of both the legal and ethical considerations which apply. In addition, all employees are directed to bring to the attention of their supervisors those situations in which conflict-of-interest principles appear to be violated. Continuing preventive action shall always be the responsibility of each supervisor.

4. It is further directed that the Deputy Directors, the Director of Training, and the Assistant Director for Communications report to the Inspector General any situation in which an employee or former employee appears to be representing a private interest with respect to a matter in which confidence had been reposed in him as an employee. Initial reports will be submitted to the Inspector General by 1 ~~December~~ 1954 and thereafter not later than 10 June and 10 December of each year for the six month periods ending 31 May and 30 November respectively.

5. After reviewing the ethical and policy considerations of cases submitted to him, the Inspector General will refer to the General Counsel any situations which appear to violate the appropriate statutes, as interpreted by the Attorney General. STATINTL

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ALLEN W. DULLES

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No Change in Class.	57
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1 Att: Attachment A

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~~For Internal Use Only~~

MEMORANDUM FOR: THE DIRECTOR

The attached Notice regarding Conflicts of Interest has been written to stress the responsibilities of all employees in this connection. It directs the Deputy Directors, the Director of Training, and the Assistant Director for Communications to submit an initial report by 1 December 1953 and subsequent reports on a semi-annual basis.

Recommend signature.

15/
L. K. WHITE
Acting Deputy Director
(Administration)

NOV 21 1953
(DATE)